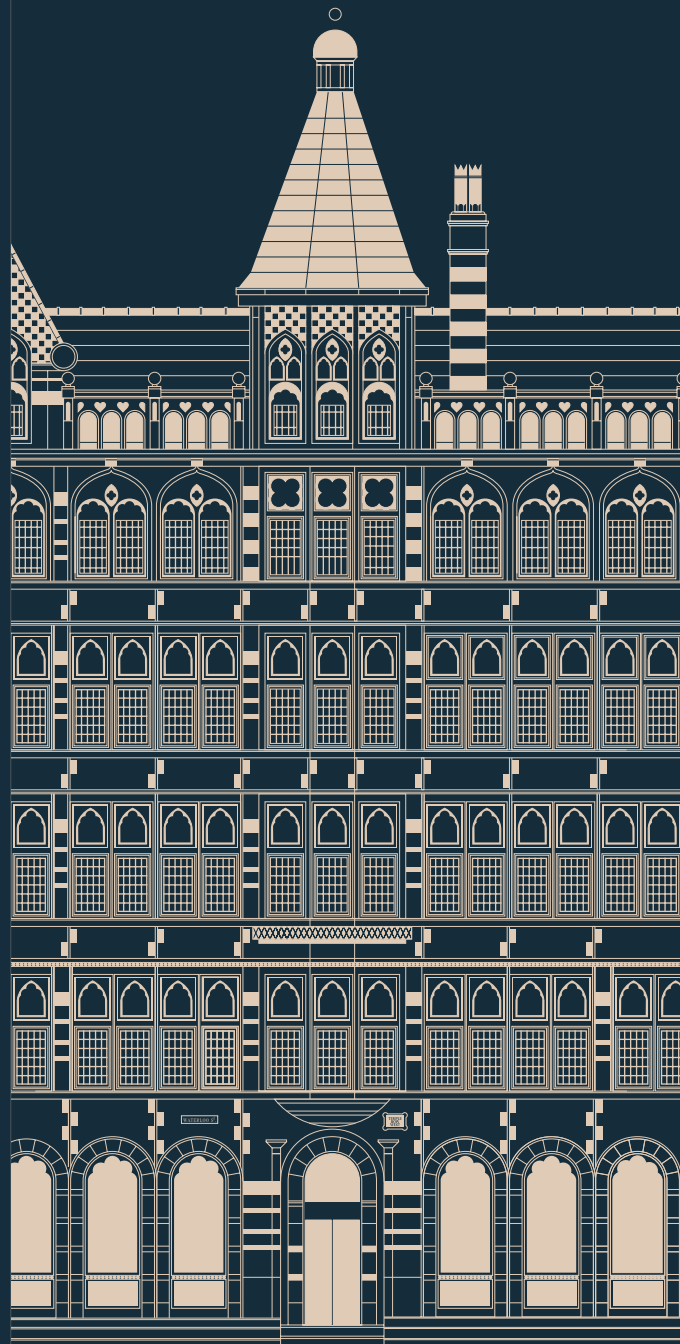


Cathedral Place Birmingham

A Prime City Centre Investment
or Owner Occupier Opportunity





Investment summary

Cathedral Place occupies a highly prominent position at the junction between Waterloo Street and Temple Row West, overlooking St Phillip's Square, Birmingham's prime Central Business District (CBD) location.

A stunning Grade II listed building of traditional brick and terracotta, extended in the 1980s.

Comprising approximately 11,378 sq ft (1,057 sq m) and configured over ground floor café/restaurant and five upper floors of office accommodation.

Providing core income from the ground floor, whilst the upper floor offices are either vacant, or let on short term leases.

A fantastic opportunity for either an investor or owner occupier to refurbish and reposition the property.

Current contracted rental income of £155,123 per annum reflecting £40.27 per sq ft on the ground floor and £23.50 to £24.56 per sq ft on the offices.

Freehold.

Seeking offers in excess of £2,300,000, exclusive of VAT.

A purchase at this level reflects a net initial yield of 6.34% and the potential to create a double-digit reversionary yield.

Applying a net initial yield of 6.50% to the ground floor reflects a capital value on the office accommodation of only £145 per sq ft.

Birmingham

Situated at the heart of the UK, Birmingham is the second largest city, with a population of over 1.14 million.

It is ranked by PwC as the most investible regional city and is one of the fastest growing economies in Europe generating £121 billion GDP per annum (2020), second only in the UK to London.

Birmingham continues to lead the West Midlands region in creating jobs through growth and innovation of existing businesses and attracting inward investors.

In 2023 EY reported it as the most successful regional city, attracting 67 inward investment projects, the highest for a decade.

The city is a hotbed for business, being home to more companies and the largest number of start-ups (44,190 and 18,394 respectively) outside of London (ONS 2020).

Economic growth is supported by five high ranking local universities, attracting 92,000 students and producing 30,000 graduates per year. 55% of graduates are retained in the region, providing a diverse talent pool.



Connectivity

BY ROAD

Birmingham is at the centre of the national motorway network, with the M5, M6 and M42 motorways forming an orbital route around the city. This provides convenient links to the M1, M40 and M54 motorways putting the city with a 4-hour drive of 90% of the UK's population.

MANCHESTER

> 1 hr 50 mins

LONDON

> 2 hrs 10 mins

BY RAIL

Birmingham has three principal railway stations; New Street, Snow Hill and Moor Street providing direct services across the UK. Birmingham New Street is the busiest rail hub outside London with over 140,000 daily travellers. The anticipated completion of HS2 by 2030 will further enhance connectivity by increasing train capacity to London and reducing journey times to just 49 minutes.

MANCHESTER PICCADILLY

> 1 hr 27 mins

LONDON EUSTON

> 1 hr 20 mins

BY METRO

The Midlands Metro runs through the city centre connecting with Edgbaston and Wolverhampton. The metro line is being extended to serve Birmingham Curzon (HS2) and Birmingham Airport.

WOLVERHAMPTON

> 37 mins

EDGBASTON

> 14 mins

BY AIR

Birmingham Airport is located 8 miles to the east of the city centre and can be reached from New Street Station in approximately 10 minutes. The airport serves 143 national and international destinations and handles around 12 to 13 million passengers annually. The airport is currently undergoing a £500 million expansion programme that aims to increase passenger capacity by 40%.

EDINBURGH

> 1 hr

BRUSSELS

> 1 hr 5 mins

PARIS

> 1 hr 7 mins

FRANKFURT

> 1 hr 28 mins

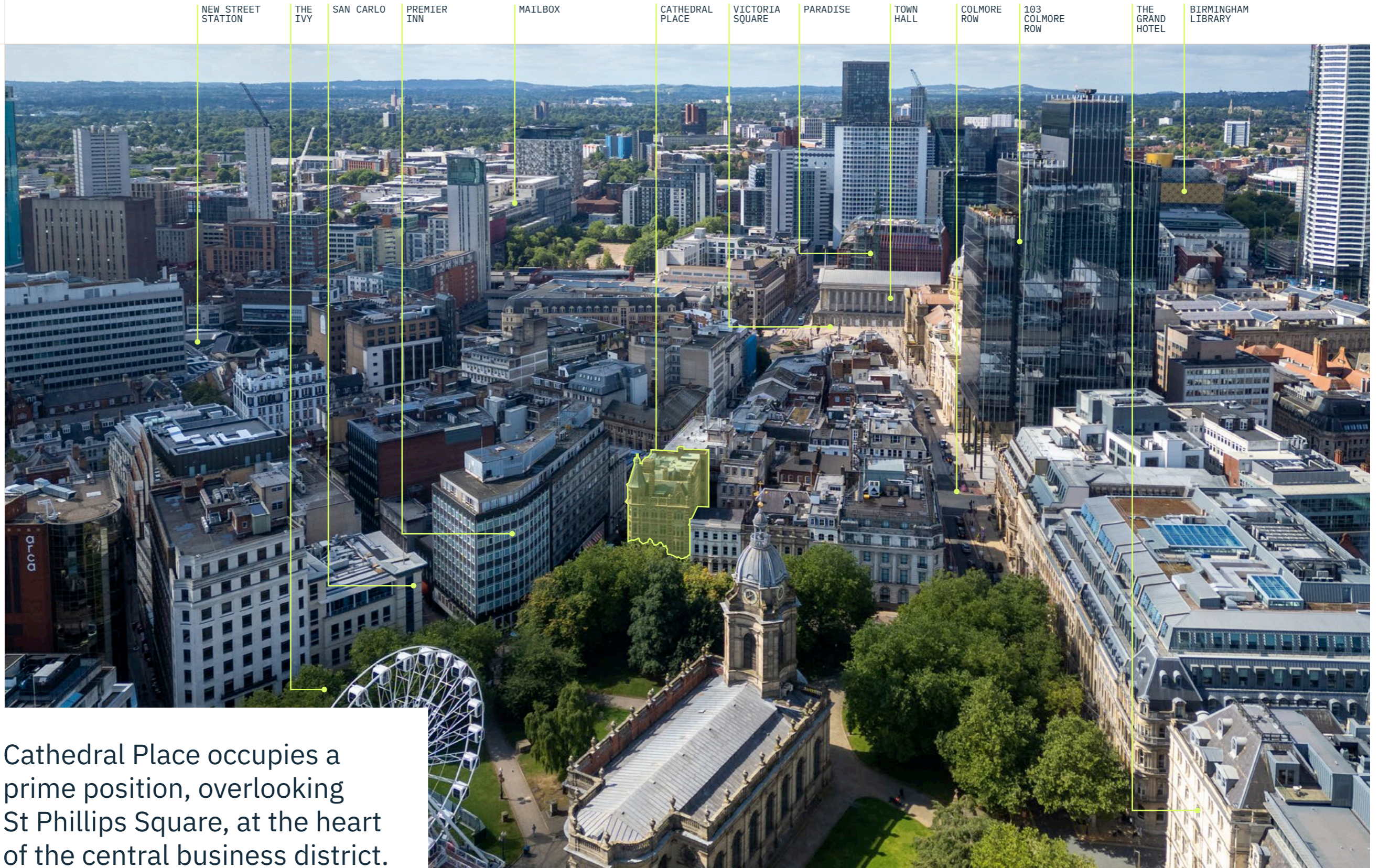
MILAN

> 1 hr 54 mins

BARCELONA

> 2 hrs 5 mins

Situation



Cathedral Place occupies a prime position, overlooking St Phillips Square, at the heart of the central business district.

Situation

The CBD is the commercial heart of Birmingham, with over 500 companies employing approximately 35,000 people.

It continues to attract significant investment as demonstrated by the success of major nearby schemes such as Arena Central, Paradise, 103 Colmore Row and Snow Hill.

Public connectivity is exceptional as New Street and Snow Hill stations are within a 5-minute walk and also provide Metro stops.



























There are regular bus services from St Phillip's Square, and the building is fully accessible by car.

The main shopping areas of New Street, Corporation Street, High Street and the Bull Ring shopping centre are all within a 5-10 minute walk.



St Phillip's Square and numerous connecting streets offer a thriving leisure and hospitality network, with a significant variety of operators ranging from casual cafes to high-end bar and restaurants.



<ul style="list-style-type: none">  Cathedral Place  National Rail station  Tram stop  Bus stop 	<p>RESTAURANTS</p> <ul style="list-style-type: none">  1 Fumo  2 The Ivy  3 San Carlo  9 Grand Central Kitchen  10 Rudy's  15 Six by Nico  18 Gusto 	<p>CAFES</p> <ul style="list-style-type: none">  7 Pret A Manger  13 Java  14 Starbucks  16 Damascena  20 Philpotts  21 200 Degrees 	<p>PUBS & BARS</p> <ul style="list-style-type: none">  5 Flight Club  6 Trocadero  8 The Shakespeare  11 Dirty Martini  12 Pure Craft  13 The Botanist  15 The Colmore  17 The Old Joint Stock Pub  19 The Alchemist
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The building

Cathedral Place comprises five office floors above a ground floor café / restaurant unit and totals 11,378 sq ft (1,057 sq m).

The building comprises two parts, the most prominent element is Grade II listed and is of stunning traditional brick and terracotta, originally constructed in the 1900s. This element was extended in the 1980s with a reinforced concrete frame structure providing glazed curtain wall fronting Waterloo Street.

The ground floor café/restaurant has its own prominent entrance at the junction of Waterloo Street and Temple Road West and is shortly due to undergo extensive fit out works.

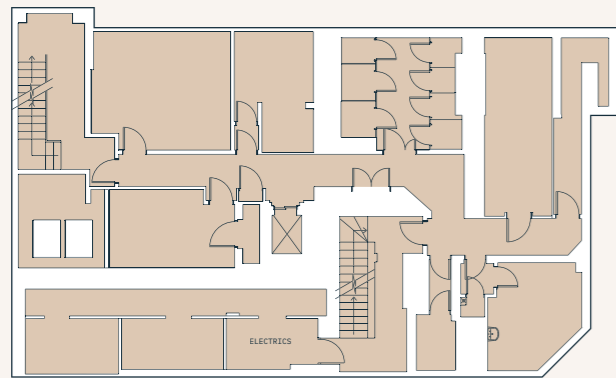
The offices are accessed via a dedicated entrance lobby off Waterloo Street, which provides a seated waiting area, WC, 8-person lift, main stairwell and fire escape.

The offices were last substantially refurbished in 2009 and in general comprise air conditioned accommodation with on-floor independently controllable VRF units, micro access floors, suspended ceilings with fluorescent lighting, kitchenettes and demised WCs.

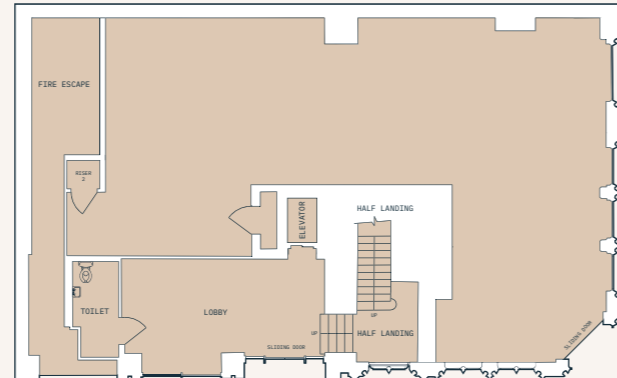


Accommodation

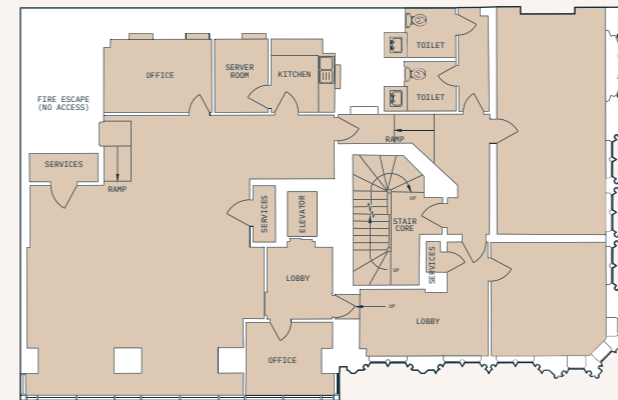
Basement



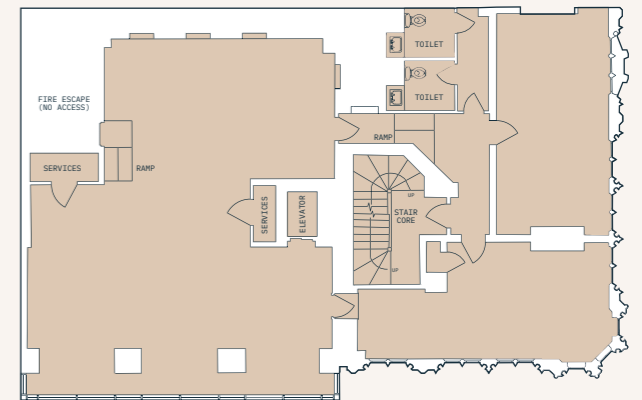
Ground floor



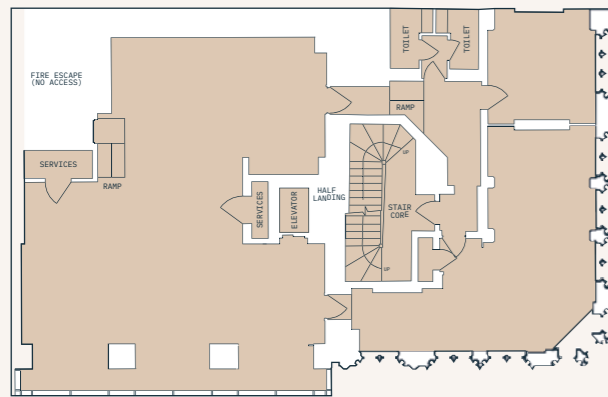
Third floor



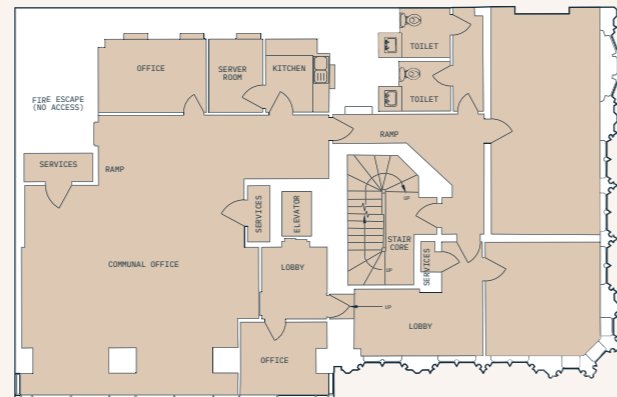
Fourth floor



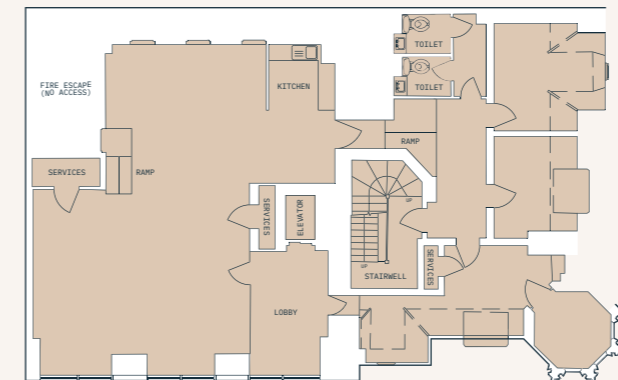
First floor



Second floor



Fifth floor



Tenancy schedule

FLOOR	TENANT	SQ FT	LEASE START	LEASE EXPIRY	LEASE BREAK	RENT (£PSF)	COMMENTS
G	Harnbury Holdings Ltd (20702491)	1,490	13/06/22	12/06/37	12/06/32 (6 month notice)	£60,000pa (£40.27)	OMRV rent reviews in 2027 and 2032. Schedule of Condition.
1	Springboard Corporate Finance LLP (OC420258)	1,926	21/07/20	22/07/25		£47,300pa (£24.56)	Service charge cap for 2024 of £17,702.69. No Schedule of Condition but the tenant isn't required to replace/repair floor coverings but is to pay the landlord £2,407.50 + VAT.
2	Vacant	2,035					Unrefurbished.
3	Markel International Services Ltd (0932977)	2,035	23/05/16	22/05/26		£47,823pa (£23.50)	Service charge cap for 2024 of £18,112.58. Lease guaranteed by Markel Capital Holdings Ltd (6722095).
4	Vacant	2,035					Unrefurbished.
5	Vacant	1,857					Unrefurbished.
TOTAL		11,378*				£155,123pa	

* Excludes basement and sub basement (approximately 1,442 sq ft and 366 sq ft GIA respectively)

SAN CARLO

Harnbury Holdings Ltd is a subsidiary of Templeton Holdings Ltd which is part of the San Carlo group of restaurants.

For the year ending September 2023 the company reported a turnover of £59.82 million and a pre-tax profit of £409,440. They have a Creditsafe Rating of 82A (Very Low Risk).

The tenant is yet to announce the trading brand/concept and commence the fitout.

SPRINGBOARD

Springboard Corporate Finance LLP is an independent corporate finance specialist that is part of the Begbies Traynor Group plc, following its acquisition in 2017.

For year ending April 2023 the company reported a turnover of £2.96 million and an operating profit of £1.72 million. They have a Creditsafe Rating of 66B (Very Low Risk).

Cathedral Place functions as the head office, with supporting offices in London, Manchester and Nottingham.

MARKEL

Markel International Services Ltd is part of Markel Group Inc and, according to Companies House, provides services to the wider Group covering employment, IT and property.

For the year ending December 2023 the company reported a turnover of £267.75 million and a pre-tax loss of £267,200. They have a Creditsafe Rating of 72A (Very Low Risk).

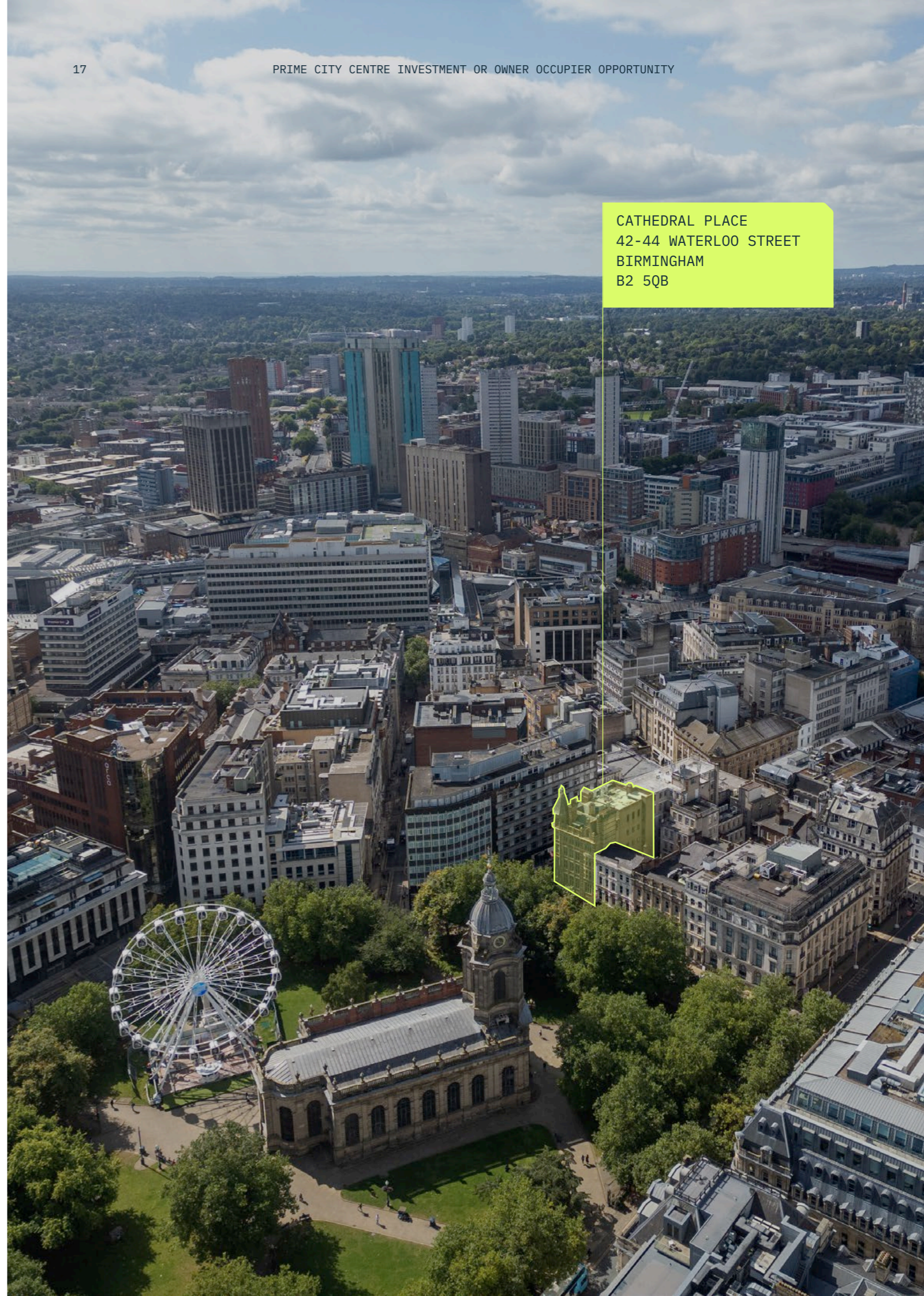
Cathedral Place is one of seven regional offices and provides an insurance function.

Tenure

Freehold (Title number WM169370)



CATHEDRAL PLACE
 42-44 WATERLOO STREET
 BIRMINGHAM
 B2 5QB



The opportunity

Cathedral Place has three quality tenants and this, together with the prime location, should provide a great platform to enhance the profile of the building with a high-quality refurbishment of the common areas and vacant space.

The current owner obtained planning permission in 2022 (reference 2022/08957/PA) to undertake an extensive refurbishment that would reposition the building to offer high-end boutique office space.

This comprised the following:

- > Remodelling of the basement to create a bike store, showers, WCs, and changing facilities.

- > Full refurbishment of the entrance lobby upgrading the finishes and offering a flexible working area.

- > Full refurbishment of the vacant floors to offer a mixed of CAT A and CAT A Plus options.

The next owner has the flexibility to undertake a similar project or to create a new concept.

In addition, the property provides a rare opportunity for an owner occupier to acquire a fantastic building in a prime city centre location.

Office market

Birmingham is a significant office location with the largest business and financial service representation outside of London.

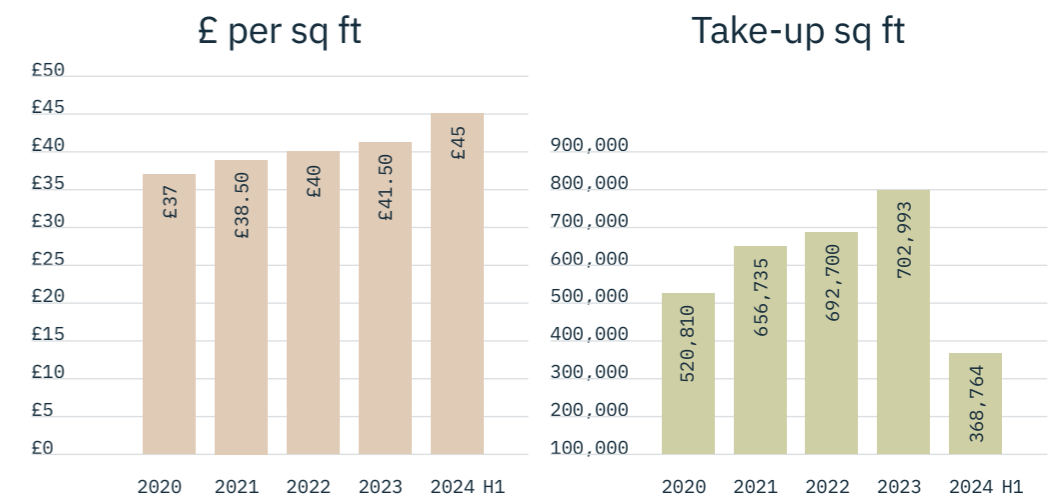
Take-up figures produced by the Birmingham Office Market Forum shows the market recovered strongly from the impact of Covid-19. There has been year-on-year growth since 2020 and 2024 H1 take-up was 369,000 sq ft.

There have been numerous significant lettings in the last two years including Goldman Sachs 110,000 sq ft letting at Paradise, and BBC's 84,000 sq ft letting at Typhoo Wharf.

The sub-5,000 sq ft end of the market remains the most active in terms of the number of lettings, meaning Cathedral Place is very well positioned.

Prime office rents have increased by approximately 4% annually over the last 5 years and are now well in excess of £40 per sq ft.

The market anticipates further strong growth over the coming years reflecting the demand for high-quality space.



Further information

VAT

The property has been elected for VAT. It is anticipated the Sale will be treated as a Transfer of a Going Concern (TOGC).

EPC

The property current has an EPC rating of C.

AML

In accordance with anti-money laundering regulations, certified identification documents and confirmation of the source of funding will be required from the successful purchaser.

The quoting price is **£2,300,000** exclusive of VAT, reflecting a net initial yield of **6.34%** and the potential to create a **double-digit reversionary yield**.

Applying a net initial yield of **6.50%** to the café/restaurant means the capital value attributable to the office floors is just **£145 per sq ft**.

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Real Estate Investment